

SUPPLEMENTAL BUDGET NO. 2 - FISCAL YEAR 2007

March 24, 2006

Mr. President, Mr. Speaker,
Ladies and Gentlemen of the General Assembly:

Pursuant to the authority conferred on me by Article III, Section 52, Subsection (5) of the Constitution of Maryland, and in accordance with the consent of the (House of Delegates) - (State Senate), duly granted, I hereby submit a supplement to Senate Bill 110 and/or House Bill 150 in the form of an amendment to the original budget for the Fiscal Year ending June 30, 2007.

Supplemental Budget No. 2 will affect previously estimated funds available for budget operations as shown on the following summary statement.

SUPPLEMENTAL BUDGET SUMMARY**Sources:**

Estimated general fund unappropriated balance
July 1, 2007 (per Supplemental Budget No. 1)

100,923,195**Adjustment to revenue:****Special funds:**

D38301 Local Election Reform Payments	9,789,246
D80305 Insurance Regulation Fund	2,061,361
D80306 Maryland Health Insurance Plan	5,000,000
J00301 Transportation Trust Fund	15,000,000

31,850,607**Transfers:**

Anticipated legislative reduction of the transfer from the Rainy Day Fund

(570,000,000)**Adjustment to general fund apporpriations:**

Anticipated legislative reduction to the Dedicated Purpose Account
- Reserve for FY 2008 operations

840,000,000**Total Available****402,773,802****Uses:**

General Funds	27,716,236
Special Funds	31,850,607

59,566,843

Revised estimated general fund unappropriated
balance July 1, 2007.

343,206,959

BOARD OF PUBLIC WORKS-CAPITAL APPROPRIATION**1. D06E02.01 Public Works Capital Appropriation**

In addition to the appropriation on page 10 of the printed bill (first reading file bill), to provide pay-as-you-go operating funds for the following capital projects. Expenditure of these funds will be made in accordance with State Finance and Procurement Article Sections 3 601 through 3-607 and 7-305.

(1) Maryland Historical Society	1,000,000	
Object .12 Grants, Subsidies and Contributions	1,000,000	
General Fund Appropriation		1,000,000

DEPARTMENT OF AGING**2. D26A07.01 General Administration**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2006 to provide funds to conduct outreach and provide assistance to eligible Marylanders on the Medicare Part D Prescription Drug Program.

Object .03 Communication	7,000
Object .08 Contractual Services	356,250
	<hr/> 363,250

General Fund Appropriation, provided that the funds are used for the sole purpose of outreach and assistance on the Medicare Part D Prescription Drug Program.

363,250

3. D26A07.01 General Administration

In addition to the appropriation shown on page 15 of the printed bill (first reading file bill), to provide funds to conduct outreach and provide assistance to eligible Marylanders on the Medicare Part D Prescription Drug Program.

Object .03 Communication	3,000
Object .08 Contractual Services	168,750
Object .12 Grants, Subsidies and Contributions	1,465,000
	<hr/> 1,636,750

General Fund Appropriation, provided that the funds are used for the sole purpose of outreach and assistance on the Medicare Part D Prescription Drug Program.

1,636,750

STATE BOARD OF ELECTIONS

4. D38I01.02 Help America Vote Act

To reduce the appropriation shown on page 17 of the printed bill (first reading file bill), to reduce funding for specific election expenses.

Object .08 Contractual Services	-600,000	
Object .12 Grants, Subsidies and Contributions	-8,019,278	
	<u>-8,619,278</u>	
General Fund Appropriation		-4,309,639
Special Fund Appropriation		-4,309,639

MARYLAND INSURANCE ADMINISTRATION**5. D80Z01.01 Administration and Operations**

In addition to the appropriation shown on page 22 of the printed bill (first reading file bill), to provide funds for a new lease and for moving expenses related to the new lease.

Object .08 Contractual Services	1,734,000	
Object .13 Fixed Charges	327,361	
	<u>2,061,361</u>	
Special Fund Appropriation		2,061,361

DEPARTMENT OF TRANSPORTATION**6. J00B01.01 State System Construction and Equipment**

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2006 to provide funds for one-time payments to Baltimore City and the counties and municipalities for transportation capital-related projects at the local level.

Object .14 Land and Structures	15,000,000
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Special Fund Appropriation, provided the allocation of the \$15,000,000 in one-time payments will be made as follows:

(1) 12.25% of the \$15,000,000 as a one-time payment to Baltimore City; and

(2) 87.75% of the \$15,000,000 to be allocated as one-time payments to the counties and municipalities according to the distribution formula enumerated under Section 8-404 and Section 8-405 of the Transportation Article

15,000,000

DEPARTMENT OF NATURAL RESOURCES**7. K00A07.04 Field Operations**

In addition to the appropriation shown on page 45 of the printed bill (first reading file bill), to provide funds for 16 new law enforcement vehicles for the new recruit class.

Object .07 Motor Vehicle Operation and Maintenance 388,800

General Fund Appropriation 388,800

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

8. M00F03.02 Family Health Services and Primary Care

In addition to the appropriation shown on page 61 of the printed bill (first reading file bill), to support critical operational needs at the Prince George's Hospital Center.

Object .12 Grants, Subsidies and Contributions 5,000,000

Special Fund Appropriation, provided that this appropriation is contingent upon prior receipt of \$15,000,000 by the Hospital Center from Prince George's County. 5,000,000

STATE DEPARTMENT OF EDUCATION

9. R00A02.07 Students With Disabilities

In addition to the appropriation on page 100 of the printed bill (first reading file bill), to provide additional funds to the Infants and Toddlers Program.

Object .12 Grants, Subsidies and Contributions 610,782

General Fund Appropriation 610,782

DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT

10. T00G00.02 Office of Tourism Development

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2006 to provide funds for the National Congress of Christian Education to be held in Baltimore on June 19-23, 2006.

Object .12 Grants, Subsidies and Contributions 150,000

General Fund Appropriation 150,000

STATE RESERVE FUND

11. Y01A02.01 Dedicated Purpose Account

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2006 to provide funds for additional costs

associated with early voting as set forth in Chapter 5 of the 2006 Session that may occur in FY 2006 or FY 2007.

Object .08 Contractual Services	100,000
Object .11 Equipment - Additional	12,196,408
Object .12 Grants, Subsidies and Contributions	<u>1,081,000</u>
	13,377,408

General Fund Appropriation, provided that \$11,508,908 of this appropriation for e-poll books is contingent upon certification of the e-poll books by the State Board of Elections under section 9-102 of the Election Law Article

13,377,408

12. Y01A02.01 Dedicated Purpose Account

To become available immediately upon passage of this budget to supplement the appropriation for fiscal year 2006, to provide funds to lease an optical scan voting system with the capacity to provide an accessible voter verified paper audit trail, including voting units that are accessible to persons with disabilities; and to fund other costs associated with a voting system that may occur in FY 2006 or FY 2007.

Object .02 Technical and Special Fees	400,000
Object .08 Contractual Services	2,435,000
Object .12 Grants, Subsidies and Contributions	<u>25,762,770</u>
	28,597,770

General Fund Appropriation
Special Fund Appropriation

14,498,885
14,098,885

AMENDMENTS TO SENATE BILL 110/ HOUSE BILL 150 (First Reading File Bill)

Amendment No. 1:

On page 100, in line 5, strike "5,199,999" and insert "5,810,781".

Adjusts the amount of funding for Infants and Toddlers Program.

SUMMARY

SUPPLEMENTAL APPROPRIATIONS

	General Funds	Special Funds	Federal Funds	Higher Educ. Funds	Total Funds
Appropriation					
2006 Fiscal Year	28,389,543	29,098,885			57,488,428
2007 Fiscal Year	<u>3,636,332</u>	<u>7,061,361</u>	<u></u>	<u></u>	<u>10,697,693</u>
Subtotal	<u>32,025,875</u>	<u>36,160,246</u>	<u>0</u>	<u>0</u>	<u>68,186,121</u>
Reduction in Appropriation					
2006 Fiscal Year					0
2007 Fiscal Year	<u>-4,309,639</u>	<u>-4,309,639</u>	<u></u>	<u></u>	<u>-8,619,278</u>
Subtotal	<u>-4,309,639</u>	<u>-4,309,639</u>	<u>0</u>	<u></u>	<u>-8,619,278</u>
Net Change in Appropriation	<u>27,716,236</u>	<u>31,850,607</u>	<u>0</u>	<u>0</u>	<u>59,566,843</u>

Sincerely,

Robert L. Ehrlich, Jr.
Governor